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June 2, 2017

Submitted Electronically: WUE@water.ca.gov

Mr. Todd Thompson, P.E.
Water Use Efficiency
California Department of Water Resources
P.O. Box 942836
Sacramento, CA 94236

Subject: Comments on Adoption of Regulations Regarding Water Loss Audits and Water Loss Control Reporting

Dear Mr. Thompson:

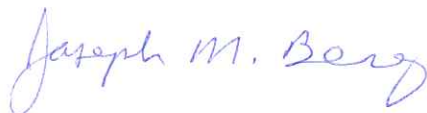
The Municipal Water District of Orange County (MWDOC) appreciates the careful consideration the Department of Water Resources has given stakeholder comments on the first draft of the Water Loss Audits and Water Loss Control Reporting regulation. The proposed regulations would require all urban retail water suppliers to conduct annual water loss audits, validate the accuracy of the data used in those audits, and submit them to the Department for review and website posting. As these regulations near completion, we submit our final comments on the updated regulations:

- Sections 700.2, 700.4 and 700.5 refer to "version 5.0" of the AWWA Free Water Audit Software. We appreciate the revision made to clarify the regulation updates would be triggered "upon an AWWA next generation update of its related Free Audit Software (e.g., after the version 6.0 release)." However, despite this directive in 700(c), the specific reference to "5.0" creates a technical barrier for California utilities to use any future minor updates to the software released in version 5.1 (up to version 5.x), which could include bug fixes or functional improvements. We recommend replacing "version 5.0" and "v5.0" with "version 5" or "v5" respectively, in Sections 700.2, 700.4, and 700.5.
- Section 700.3(b) (2)(D) was revised by insertion of the phrase "customer meter accuracy derivations, including..." By inserting the word "customer" this revision is inconsistent with the original, appropriate subject of "supply meter[s]". Further, to require documentation on the "derivation of meter accuracy" is inconsistent with the Water Research Foundation (WRF) Project #4639, which requires meter testing documentation but not how the data was used to calculate an error adjustment. We recommend striking out the newly added text "...customer meter accuracy derivations, including..."

- Section 700.5(a) (2) & (3) – We support providing the option for each water system to select either fiscal or calendar year for reporting. The current draft appears to allow for audits that are other than the “previous fiscal year” as of October 1, as required by SB 555 and allows fiscal information pulled from a different period than the water volume information represents. Allowing for financial incongruence is inconsistent with the M36, and has the potential to skew the economic value attached to real and apparent losses. The M36 does not require that a cost input be from audited financial statements. The data validity grade assigned with this element of water audit depends only upon frequency of financial auditing as a business practice. We recommend reestablishing the prior version of 700.5(a) and removing new sub items (1), (2) & (3): “The report shall include data spanning 12 consecutive months for either the previous calendar year or the water supplier’s fiscal year.”
- A change was made throughout the draft regulation to consistently use the term Data Validity Score. This is not appropriate. The Data Validity Score is a measure of the overall trustworthiness of the data entered into the audit, and is a composite value calculated from multiple Data Grading Values. Data Grading Values are the specific grades (on a scale of 1 – 10) applied to each input component. Replace “Data Validity Score” with “Data Grading Values” as appropriate throughout.

We look forward to continuing our engagement with the Department to ensure regulations support and improve the water loss reporting process, and reach the State’s goal to “Eliminate Water Waste.” Thank you for your consideration of our comments. Should you have any questions, please contact me at (714) 593-5008 or by e-mail at jberg@mwdoc.com.

Sincerely,



Joseph M. Berg
Director of Water Use Efficiency